

the load. But for now, people look to the United States.

And if you believe that it matters, then I ask you to understand that we have to make difficult decisions still, and we have to invest some money still in our leadership for these causes. Our economic strategy is working in part because it is going hand in glove with our commitment to peace and freedom and democracy. And we cannot afford to walk away.

And finally, let me say, all of these challenges to be met will require us to generate a higher level of trust and confidence and common sense and civility among our people as they relate to each other and to our governments.

So I end where I began. That's why it's so important who the Governors are. It's why it's so important what is done. We have shrunk the size of Government. We are getting rid of 16,000 of the 18,000 pages of regulations. We have done all that downsizing, and we will do some more.

More importantly, we have dramatically increased child support collections, and we've cut the default rate in student loans. And as I said, we doubled the SBA loan volume. And I could give you a lot of other examples. But in the end, our ability to succeed consists in our ability to readjust the responsibilities of the National Government with the States, with the localities, with the private sector, with individuals, and to build a new partnership for a new era.

Part of that is some changes we still have to make here, like campaign finance reform and the line-item veto, which I'm sure this Congress will eventually give me. [Laughter] But a big part of it is learning to work together in a way that is affirmative, is positive, that lifts people up.

You know, when I go to other countries, if they're conversant with American politics, very often leaders of other countries will say to me, "I frankly don't understand why people in America could be so negative feeling. Your unemployment rate is lower than ours. Your growth rate is higher. You have the lowest deficit in the world of any advanced country. All the rest of us look up to you."

Well, we have to pierce that cynicism, because cynicism in the end is a lousy excuse

for inaction. It's a lousy justification for failure. It's a lousy explanation for disappointment in life. And I am convinced that if we Democrats go out there in 1996 with a commonsense, compassionate, intense commitment to the family, to the work, to the future of America, to the idea that the Government can play a role as a partner in creating more opportunity, and people have to assume more responsibility, and to an uncompromising position that we must do this together—we have no intention of going back to the time when people were left to fend for themselves, because we believe the age of possibility is for all Americans—I believe that our efforts will be rewarded. They must be rewarded in the President's race and the races for Congress and in the races for the statehouses.

By being here tonight, you have shown that you believe this. My challenge to you is that it's a long time between now and November. Don't quit now. Go out and preach this message and make sure it's clear what we stand for and what we're trying to do.

Thank you, and God bless you all.

NOTE: The President spoke at 9:12 p.m. at the Omni Shoreham Hotel. In his remarks, he referred to Gov. Gaston Caperton of West Virginia, chair, Gov. Howard Dean of Vermont, vice chair, Gov. Mel Carnahan of Missouri, former chair, Mark Weiner, treasurer, and Katie Whelan, executive director, Democratic Governors Association; Gov. Jim Guy Tucker of Arkansas; and Mayor Jim Dailey of Little Rock, AR.

Remarks to the National Governors' Association Conference

February 6, 1996

Thank you very much. Thank you, Governor Thompson, Governor Miller, fellow Governors and friends. It is always good to be back here, and I very much appreciate what you said, Governor Thompson. I must say, I also enjoyed standing outside in the hall and listening to the last three or four speakers discuss the last resolution. It made me homesick and proud that I once was a member of this body.

Let me begin, Governor, by congratulating you on the work that you have done on Med-

icaid, on welfare, and on a number of other issues. And let me also thank the lead Republican and Democratic Governors who worked on the Medicaid issue. I see you around this table. You were good enough to work with us in the White House to keep us up with what you were doing, to enter into intense discussions with us, and I'll have a little more to say about it in a minute. But this is, in any case, a very impressive accomplishment that all of you have voted for a new framework that will preserve the guarantee of health care coverage to the people who need it, and give the States the flexibility they need to operate the program.

Let me also say, in general, this Governors' conference has, I think, been in the best tradition of the National Governors' Association, as people have worked together in good faith across party lines to find real solutions to real problems.

I'd also like to express my appreciation to Senator Dole for what he said earlier here today, and the genuine spirit of cooperation that he evidenced in his remarks, I must say, was also evidenced in the more than 50 hours we have spent together in discussing the budget. And, like him, I believe we will get a budget deal. I didn't like everything he said about wanting to spend some more time around the White House next year. [*Laughter.*] But then again, I was a little concerned the other night when Gary Morris was singing at the White House, and I discovered that Governor Thompson and Governor Engler and Governor Voinovich were checking out Al Gore's office. [*Laughter*]

But it's good for America, this kind of competition. I also want to say, Governor Branstad, I was encouraged to hear Senator Dole say he thought we'd get a farm bill pretty soon. We've got a 15-year high in wheat prices and about an 18-year high in bean prices, and corn is about 3.60. We need a farm bill, and we need to strike while the iron's hot so we can keep this going.

This has been a good meeting for you, and it's been a good day for me. And yesterday and the day before, when you were at the White House, were good days, because I always enjoy working with the Governors.

As I said at the dinner, I think the framers would be pleased by this great debate in

which we are engaged in Washington and in which you are also engaged. It goes beyond the very important questions of what government should do in our society and what we should not do, to the question of which level of government should do certain things and how they should be done. This movement is part of the sweeping changes now going on in our society.

We see that the changes in how we work and live together in a world that is dominated by information technologies and the markets of the global village are changing the way everybody does business. And I'd like for you to take just a minute before we get back into the substance of the issues that you've been working on to step back and look at the context in which this debate is taking place.

We are living in a world that includes dramatic changes in the nature of work, principally defined by work becoming more and more identified by the content of ideas and information, and less with physical labor. We have changes in the nature of work organizations: they're more flexible, they're less bureaucratic, and often they're smaller. It's interesting in that all the new businesses that have been created—new jobs that have been created in our country, for the last 15 years the Fortune 500 companies have reduced their aggregate employment in each of those years. In the last 3 years, however, small businesses owned by women alone have created more new jobs than the Fortune 500 has laid off—changes in the nature of work organizations.

And finally, there are dramatic changes in the nature of markets, both financial markets and markets for goods and services. They are more instantaneous in their movement and more worldwide in their scope.

Now these changes have given our country, with a strong and diverse economy, what I called in the State of the Union a great new age of possibility. I believe that. I believe that more of our people will be able to live out their own dreams than ever before. But these changes have also done what fundamental changes always do. They have led to a great uprooting in the patterns of life and work in America. And there are new challenges to us to preserve the American dream for all citizens who are willing to work

for it, to maintain our cherished values and our leadership for peace and freedom.

This is the context in which this debate should be viewed. Look at the economic picture. America in the last 3 years has almost 8 million new jobs, the lowest combined rates of unemployment and inflation in 27 years, a 15-year high in homeownership, an all-time high in exports, which has in large measure led to those high prices for farm products that I mentioned.

The auto industry leads the world again. We've had 700,000 new jobs in construction. We're number one in the manufacture of telecommunication satellites, and each of the last 3 years our people have set successive records for the formation of new businesses and for the creation of new self-made millionaires, not people who were given their money but people who made it with the opportunities that were there for them in this country.

This is a remarkable thing. But it is also remarkable that, for the first time in our history, all this occurred while more than half of the American people didn't get a raise and felt increasing insecurity about job loss or the loss of health care or pension benefits or the ability to educate their children.

Yesterday I had a conversation with an old friend of mine from a Western state who is a marvelously successful person now in his own right. And by pure accident of history, 40 years ago and more, he and his brother and I attended the same little brick grade school in my hometown in Arkansas. He's a terrific success, he's had a great life. His brother made a great success of his life, but at the age of 49, he has already been laid off twice from two different companies simply because the companies were bought by other companies, not because he was unproductive, not because there was something wrong with him, not because he didn't do what he was supposed to do in life.

The other day I got a letter from a friend of mine that I keep in touch with, a man I went to grade school with. He came from a very poor family. He was the first person from his family who graduated from college. And he told me that after 9½ months of looking he had finally gotten another job. He was an engineer with a Fortune 500 company,

who at the age of 49, along with two other 49-year-old engineers, was laid off. They had children to educate, things to do. And this is also a factor of this great churning economy. So we have to see this economy in terms of all of its possibilities and its continuing challenges, which presents a paradox.

You can imagine what the ordinary person feels going home at night after work and turning on the television and hearing how great the economy is and then filtering it through their own personal experience. It just depends upon whether their experience conforms to the statistics, whether they really buy it.

Our challenge is to figure out how to set and keep in motion all these wonderful changes, and shape them in a way that makes the American dream available to everybody again. It's a great challenge but we can do it. If you look at the world, you see the same thing. America has been very fortunate, not only in the trade numbers I mentioned but to play a role in leading the world toward peace and freedom and greater security, not only in the obvious places like Northern Ireland and the Middle East and Bosnia and in Haiti, where tomorrow for the first time in the history of the country they will have a peaceful democratic transfer of power, but in reducing the threat of nuclear weapons, extending the Non-Proliferation Treaty, passing START II, trying to get a comprehensive test ban treaty this year.

But at the same time we know, and we have seen in our own country, that there are new threats of our security that are a function of the age of possibility, where people can move around in a hurry, where people can get information on the Internet about how to build bombs, where anybody can be a neighborhood terrorist because of the high-tech information you can get as long as you've got a computer, where someone in Tokyo can break open a little vial of poison gas and kill hundreds of people.

So we have new challenges, even as we become more secure. And we see it in terms of what's happened to our ability to maintain our basic values. I am profoundly encouraged that the crime rate, the welfare and food stamp rolls, the poverty rate, and the teen pregnancy rate, and even the divorce rate,

are down in the last couple of years. I think that is a very good thing for America. But let's face it, we all know they're still too high. And we all know that we pay a price together because they are.

So I say to you that as we debate this great transformation of government, the question we really ought to keep in our mind is: Are the changes we're making going to contribute to making the American dream available to all our people? Are we going to accelerate all the wonderful things that have brought us this age of possibility and meet the challenge? Are they going to help people to solve their own problems? Are they going to help families to solve their own problems? Are they going to help communities to work together to solve their own problems?

That, it seems to me, is the great question of this age. Government should change just like all other big organizations that are changing because the demands are changing, the objectives are changing, we are doing what the framers intended us to do. And in the exercise you have performed here in the last 3 days, by getting together and working hard and dealing with these tough issues and always trying to consider what the human impact of the changes was going to be, you have done what the framers knew we would have to do from time to time if our great country was going to endure.

In the State of the Union, I tried to outline what I think our major challenges are, and let me just briefly recount from here. I think as a people—not the Government's challenges, our people's challenges—to build stronger families and better childhoods for all of our children, to open educational opportunity for every single citizen, for children and for adults for a lifetime, to develop a new economic security for all families that are willing to work for it in a way that supports the dynamism of this economy and doesn't undermine it, to make our streets safer and take them back from gangs and drugs, to make crime the exception rather than the rule in America again, to provide a cleaner and healthier environment for today and tomorrow in a way that grows and doesn't shrink the economy, to maintain our leadership for freedom and peace in the world, and especially for us to reinvent, to

change our Government so that it works better and inspires more trust.

I believe the central lesson I have learned here in the last 3 years is that the genuine debate in America is not between big Government and small Government. We already have the smallest Government we've had since 1965. It's 205,000 people smaller than it was the day I took the oath of office. We're getting rid of 16,000 of the 86,000 pages of Federal regulations; we may get rid of more. It's not between Government and markets. We know there has to be a mix. We know the market can't solve all problems, and we know when the Government tries to solve them all it only makes it worse.

The central lesson I have drawn from the experiences of the last 3 years and from observing what is happening in our country and throughout the world is that what works in the world is what works around this table, that while we can't go forward with the idea that the Government can solve all of our problems, we must not go back to an era where people were left to fend for themselves.

We cannot solve the complex problems of the modern world unless we work together in a genuine spirit of community, where everybody does his or her part, and where we sharply define what the role of Government is and what the role of the Federal, State, and local governments are, what the role of the private sector is, what the role of people in their family lives is, where we all try to work together to enable people to make the most of their own lives and grassroots communities to rise up.

That is the central lesson that I draw from every experience I have had as President. And that is the perspective I bring to the work that you have done. We know that one-size-fits-all Government doesn't work. We know that the American people are not about to get rid of all Government, and they shouldn't. And we do know, I believe, that we can't go back to fend-for-yourself, winner-take-all society.

Our National Government shouldn't try to do everything. There are some things that we should do, that we do directly. National defense is the best and clearest example, and our military does it better than anybody else

in the world and better than they ever have. We do have, it seems to me, when we have national challenges, a responsibility to articulate a clear national vision, set goals, challenge people from every walk of life to meet the goals, and then do what we can to empower them to succeed.

In other words, sometimes what we have to do is define the what and let others, as much as possible, determine the how. That's what the crime bill does. It was clear to me when I became President that there was something terribly wrong when the violent crime rate had tripled in the last 30 years and the size of our police force had only gone up by 10 percent.

It was obvious, if you went to communities all over the country, that there were places where the crime rate was going down, and the one thing they all had in common was a clear, disciplined, operating community policing strategy. So we passed a crime bill that said we're going to have a goal of putting 100,000 police on the street. You apply for the money, and get it, but we're not telling you who to hire, how to train them, how to deploy them, what kind of community groups they have to work with. You decide.

So the Governor of Kentucky and I were in Louisville the other day looking at one of the community policing operations there driving the crime rate down. I was in Manchester, New Hampshire, looking at one of the community policing operations that's driving the crime rate down. Every State here has communities where the crime rate is going down. One of our major news magazines had a cover story with the commissioner of police of New York City talking about the crime rate going down. It said, have we found a way to turn the corner on crime? That is the kind of partnership we ought to have. I believe Goals 2000 fits that mold. The Federal Government's education programs are far less prescriptive now than they were in the years I served as the Governor before I came here as President.

Goals 2000 is consistent with the work done by Governor Romer. It says that we should have national standards; States should agree to meet them; but States and the school districts should decide the "how". And we should give people resources and help to

let them decide how, not the Federal Government.

We have also tried to work with you in particular, as Governor Thompson said, with the unfunded mandates law, with the dozens of waivers, and with the common efforts we're now making not only to get rid of the Boren amendment but to get rid of a lot of other Federal requirements that cripple your ability to spend your time and your money helping your people to deal with their challenges.

We have tried to run this smaller Federal Government better, stepping up the fight against illegal immigration at the border and in the workplace, collecting record amounts of child support, cutting the student loan default rate almost in half, doubling the loan volume at SBA while we cut the budget by 40 percent, adopting customer service standards for every Federal agency. And I'm really proud of the fact that one of the major business magazines just last year which gives awards every year to corporations in America that serve the public the best—in the category for best service over the telephone, competing with L.L. Bean, Federal Express, and a lot of other things, the winner last year was the Social Security Administration. I'm proud of that. We are trying to give the American people a Government that is smaller, that costs less, that works better, and that works with you.

The first thing we need to do now is to finish the work of balancing the budget. We all know there's plenty of blame to go around for what happened in the years before we started working on this 3 years ago. I am proud that the deficit has been cut in half in the last 3 years. It is obvious that we need to finish the job. It is also obvious that this is a job that will never be finished, at least not in our lifetime, because when baby boomers, people my age and younger, begin to move toward their retirement years, the demographic changes in America will impose great new challenges on the budget, and this work of keeping our budget under control will have to be done year-in and year-out for a long time to come.

But we do know that based on the work we have already done, there are savings common to both the Republican plan, the plan

that I have put forward, that amount to about \$700 billion, more than enough to balance the budget, and enough to meet my criteria of protecting the Medicare and Medicaid programs, our investments in education and the environment, and providing a modest tax cut.

We know that there are a lot of policy areas where we do agree, as well as some where we don't. I wish, on the whole, that the American people could have watched Senator Dole and Speaker Gingrich and Mr. Arney and Senator Daschle and Mr. Gephardt and the Vice President, Mr. Panetta and I, over these last 50 hours of discussions we've had, because we tried to do things the way you try to do them here. And we were able to identify significant areas of agreement.

Whichever Medicare program is passed, for example, it will be a program that estimates that we can slow medical inflation in the Medicare program below the projected rate of medical inflation in the private sector by aggressive incentives to seniors to move to managed care. With all the other differences of opinion, that is still there. However the final Medicaid program comes out—and I think you have gone a long way toward influencing that today in a positive and constructive way—we are going to slow the inflation rate in Medicaid well below the projected rate of health inflation in the private sector, because of giving you greater flexibility to move toward managed care and to do other things as well.

This is encouraging. So I believe the first thing we have to do is to finish this job. We cannot in good conscience, even though this is an election year, have a work stoppage between now and November. We have to go on and finish the work of balancing this budget. Let me say again, I was very encouraged by what Senator Dole said today. That is exactly my impression of where things are, and I believe we will get an agreement, and I look forward to continuing our efforts there.

I also believe we can get an agreement on Medicaid. You have done a lot of work which will help us immensely in that regard. You have always said that you could run this program better if you didn't have your hands

tied and you didn't have to ask Washington's permission every time you wanted to do something.

We have known for a long time that the initial good impulse of supporting the Boren amendment was a mistake. We have known for a long time that you shouldn't have to ask the Federal Government every time you want to change your payment schedule to providers and every time you want to put in a new managed care program or make some other change.

You have come up with a proposal that enables you to have that kind of flexibility and still preserves the Nation's ability to guarantee medical care for poor children, for pregnant women, for people with disabilities, and older Americans. This is a huge step in the right direction.

As you know from our discussion yesterday, I still have some concerns. As you have acknowledged, we have to get any proposals scored by the Congressional Budget Office, we have to clarify—at least I need some clarification on some other issues which we discussed yesterday in terms of the definitions of disability and making sure that there will be someplace where a clearly enforceable right is held for people with regard to the benefits to which they're entitled.

And there are some other issues that we just didn't discuss because we didn't have enough time, like how the people who are now getting Medicaid help to pay their Medicare premiums will be able to continue that so they don't lose their Medicare coverage. But I am convinced we can work these out, and I am very encouraged by the work that you have done.

Let me also say that I think there is one other thing we ought to do on health care, and I'd like to ask for your help on that, even though it's something that has to be done here in Washington. If we cannot follow the other advanced economies of the world and ensure that everybody has health insurance, at least we ought to be able to ensure that everybody has access to health insurance. There is a bill in the Senate now, sponsored by Senator Kassebaum of Kansas and Senator Kennedy of Massachusetts, which would simply say that insurance companies cannot deny coverage for people because somebody in

their family has a pre-existing condition. And people can keep their insurance if they move from job to job; they can't be cut off.

The bill would also provide incentives for pooling operations to be set up so that more small businesses can buy insurance. I know that California and Florida in particular have had some very good results with efforts in this area already.

It is a good bill. It has 43 cosponsors, Republican and Democrat. It was voted out of the committee unanimously, and it has not been brought to a vote yet because of pressures against it. I think it is quite important that that bill be brought to a vote. It is one thing we could do, a simple bipartisan act we could take, that would increase the sense of security for millions of people in working families who are doing everything they can to do the right thing in this country.

Finally, let me say I applaud the work that you have done, again in a bipartisan fashion, on welfare reform. I know you haven't—I don't think you've voted on that policy yet, but we discussed it some yesterday. I've seen some of the changes you've made. I heard what Senator Dole said about child care, agreeing with you and me on that. That's a very good sign.

Let me just be as simple as I can about this: I think the objective of welfare reform should be to break the cycle of dependency in a way that promotes responsibility, work, and parenthood. I believe that our objective for all Americans should be to make sure that every family can succeed at home and at work, not to make people choose.

If a family has an adult that succeeds at work by sacrificing on the homefront, our country is weaker because our first and most important job, every one of us who has children, is to be good parents. If a family can only work at home when they fail at work, then our economy will be hurt and all of our efforts to promote independence will be undermined.

So everything I have done in this welfare debate has been designed with that in mind. How can we design a system that will be tough on responsibility, tough on work requirements, disciplined, but that will reward family and childrearing, as well as movement into the workplace?

And I think if we all keep that in mind, that we want a country where people succeed at work and succeed at home, then we'll come to answers in common, like the child care answer that the Governors recommended. We will do that.

In terms of the details of running the program and your not having to come to us every time you want a waiver, I could not agree more with that. I think there have been—a lot of the good ideas that have come out of this in the last 3 years, every one of them, as far as I know, has come from the States. If you just—look, let me just mention one that I have promoted relentlessly since Oregon and a number of other States started trying it—but in the areas where there are not enough jobs today, how are we going to get jobs for people on welfare? In the areas where the markets are tight, how will we give employers an incentive to hire people on welfare? One of the things that you can do now—but every one of you will be able to do if we pass meaningful welfare reform, is to make your own decision to cash out the welfare and food stamp benefits and give it in the form of a job supplement to an employer to hire somebody to go to work, instead of to stay idle and draw that same amount of money.

There are lots of things like this that can be done. You can do it. And I believe we're going to pass welfare reform legislation and I think when you take a stand here today saying that we ought to—that the Senate bill was a good bill, I thought, and I thought far superior on most points to the one that came out of the conference that I vetoed—but it had some problems and the biggest one for most States was the child care problem. You have addressed that here. And you have said, okay, be tough on people; make them go to work, but don't ask them to hurt their children. That's all any American could ever ask. And I think when you do that, you're going to give us a real chance to pass welfare reform, and I thank you for that.

So I would say, again, I think you've had a pretty good meeting here. I think you have contributed to the climate that will help us to balance the budget. You have contributed immeasurably to helping us to resolve the impasse over Medicaid. You have contributed

to the impulse to move to genuine welfare reform. We can do all these things if we do them together. Let me say again, every time this country works together, every time we reach across the lines that divide us, we never fail. We dissipate cynicism; we dissipate mistrust; we dissipate anxiety; we dissipate anger every time we do that.

Abraham Lincoln said this a long time ago: "We can succeed only by concert. It is not 'Can any of us imagine better,' but 'Can we all do better.'" The Governors always attempt to answer that question with a re-sounding "yes."

Thank you very much.

NOTE: The President spoke at 11:25 a.m. at the J.W. Marriot Hotel. In his remarks, he referred to Gov. John Engler of Michigan; Gov. George Voinovich of Ohio; Gov. Terry Branstad of Iowa; Gov. Paul Patton of Kentucky, and Gov. Roy Romer of Colorado.

Message to the Congress on Trade With China

February 6, 1996

To the Congress of the United States:

Pursuant to the authority vested in me by section 902(b)(2) of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991 (Public Law 101-246), and as President of the United States, I hereby report to the Congress that it is in the national interest of the United States to waive the restrictions contained in that Act on the export to the People's Republic of China of U.S.-origin satellites insofar as such restrictions pertain to the CHINASAT project.

William J. Clinton

The White House,
February 6, 1996.

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William J. Clinton

The White House,
February 6, 1996.

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February 6, 1996

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William J. Clinton

The White House,
February 6, 1996.

Remarks to the National Association of Independent Colleges and Universities

February 7, 1996

Thank you very much. I assure you, when I was attempting to help Anne's institution get that foundation grant, I had not imagined that one day I would reap this benefit of that fine introduction. [*Laughter*]

Let me congratulate Mike Adams on his successful term as chairman and for his kind remarks and for recognizing the brilliant work of our Education Secretary, Dick Riley. I know of no person who has had that job who has done as much in so many areas to have a positive impact on the education of the American people. And we are all in his